



DETERMINANT FACTORS OF EMPLOYEES' LOYALTY AT COSMAS GARAGE IN BENI-DRC

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ABSTRACT

HR Loyalty represents one of the most key challenges faced by the managers today when it comes to managing their employees. The challenge for companies to ensure a competitive advantage is not only the possession of the quality of HR, but also the retention of such resources. Many researches have been conducted in various sectors to demonstrate the importance of employee loyalty for organizational performance. The main purpose of this paper was to analyze the determinant factors of employees' loyalty in Cosmas Garage. The research design of this study uses quantitative method. To achieve the aim of the study questionnaire survey was used. 60 employees were selected from 150 employees of Cosmas Garage in 2 cities Butembo and Beni (Butsili) North-Kivu, DRC. To obtain the random and representative sample, we used the notion of the sampling sample whose calculation was 2. The results show that HR loyalty within the company is determined 80,6% by the satisfaction of employees at work (compensation, prospect of evolution, human relations, social benefits, working conditions and training). Also 39% by the involvement of the worker in the company and the style of management have a positive impact. Findings of this study will provide insights to the managers to enhance the employee maintaining and mobilization in the company.

KEY WORDS: Employee's loyalty, job Satisfaction, Cosmas' Garage and organizational involvement.

1. INTRODUCTION:

From the last two centuries, no recent phenomenon has been associated with employee's loyalty (Claus, L, 2007). There have been several extensive issues in the field of human resource. According to PERETTI (2003), employees' loyalty corresponds to the measures of reducing the voluntary employee's turnover. Paille (2004) considered that employee loyalty as an engagement and being faithful to his organization within the context of his work, conduct line which favors continuous efforts to the functioning of the organization.

Moreover, Paille (2005) and Chaminade (2003), Loyalty is the voluntary action of the company to set up an environment that sustainably maintains the attachment of its employees to itself. Furthermore, Chaminade, B. (2003), Loyalty is the voluntary action of the company to set up an environment that sustainably maintains the attachment of its employees to itself. Therefore, loyalty is to encourage the mutual feeling of attachment and the retention of some employees with strong skills. The aim of this study is to build loyalty in order to guarantee a better performance.

Companies face a high turnover risk, which is due to different constraints, such as the tendency to pursue studies, the rise in the level of experience, the development of occupational mobility, the scarcity of human resources or the economic context. For many years, the job market has undergone substantial evolutions. The case is revealed like the reversal of the law of supply and demand for the most critical talents, or even the transformation of the concept of career, less linear and more necessarily supported by the company. Faced with new needs for talent and skills, companies are beginning to adopt more or less conscious Human Resource marketing (Liger, 2013).

The challenge for companies to ensure a competitive advantage is not only the possession of the quality of human resources, but also the loyalty of such resources that is, reducing absenteeism and resignation behavior, and to encourage employees to act in accordance with the benefits of the organization. Therefore, the aim of this study is to find out about the determinant factors that affect employee's loyalty at Cosmas Garage Company.

This study was designed to describe the determinants factors of employee's loyalty at Cosmas Garage in Butembo-Beni. The following research questions guided the study:

1. What are the determinants factors for employees' loyalty?
2. What is the level of employee loyalty at Cosmas Garage?

2. RESEARCH METHODOLOGY:

2.1 Research Design

According to Asika (1991), a design can be defined as a plan or blue print which specifies how data relating to a given problem should be collected and analyzed. It provides the procedural outline for the conduct of any given investigation. This study makes use of survey research design that allow for the use of questionnaires to elicit data from the respondents.

2.2 Population and Sampling technique:

The respondents of the study were 60 selected from employees of Cosmas garage

(see LUNCH formula, Appendix 1). To obtain the random and representative sample, we used the notion of the sampling sample whose calculation was 2 (see Appendix 1). This interval allowed us to select from the lists of employees in different departments, employees to investigate so we took the ordinal list of 150 employees with a survey interval equal to 2, our sample of 60 employees was made up of employees whose numbers are: 1, 3, 5, 7, 9, etc.

2.3 Sources of Data:

Primary and secondary sources were used. The use of questionnaire was employed to gather necessary and relevant data from the respondents. These methods were used in order to minimize the problems associated with data collection and to ensure that the results are visible and bias free as expected. The questions were designed to sample the views of the respondents on the determinants factors of employees' loyalty at Cosmas' Garage.

2.4 Methods of Data Analysis:

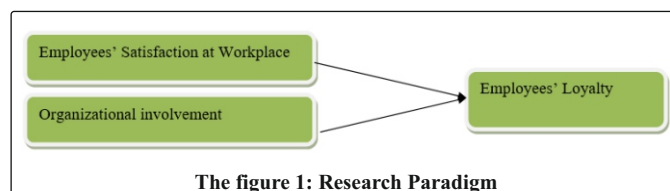
This section entails the analyzing of data and interpreting data collected from the population sample. Data was analyzed using inferential and descriptive statistics. The descriptive statistics involves frequency table, likert scale while the level of employee loyalty were determined by using the correlation of Pearson because of the nature of data.

2.5 Instrumentation:

The questionnaire consisted of three parts: the socio-demographic of respondents, data related to the satisfaction of interviewed agents, and data connected to the organizational implication. The 5-points Likert scale was used to determine the perception of respondents towards their loyalty. The following scale was used: (5) Very high; (4)High; (3)Lower; (2) poor and (1) very poor.

Research Paradigm:

The figure 1 shows the graphic of the relationship between the variables under study. The independent variables of the study are HR satisfaction at workplace, organizational involvement and management style. And the dependent variable is employee loyalty.



The figure 1: Research Paradigm

3. THEORETICAL FRAMEWORK:

3.1 Human resource:

According to Armstrong (2014) Human Resource Management (HRM) is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. Human Resource is described as a function in organizations designed to maximize employee performance in service of their employer's strategic objectives (Johanson, 2009).

For Collings, D. G., & Wood, G. (2009), HR is primarily concerned with the management of people within organizations, focusing on policies and on systems; HR departments are responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws (Klerck, 2009).

3.2 Organizational Involvement:

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their job. The effective use of employee involvement is positively related to perceived organizational performance.

More precisely, employee participation and empowerment programs, and the use of self-managing teams have a direct and statistically significant correlation to the managerial perception of the organizational performance (Sofijanov and Chatleska, 2013).

Involvement influences the behaviors and attitudes of employees towards the organization. It allows the employee to freely express his commitment and loyalty to the company. It can be considered under two approaches: the behavioral approach (past actions that links the individual to the organization), and the attitudinal approach (feeling of belonging to the individual organization). The implication, according to Thevenet (1992), is like a notion that translates and explains the relationship between the person and the company.

Allen and Meyer (1996) state that: Involvement is "a set of mental predispositions or a psychological state (feelings and / or beliefs) about an employee's relationship with the organization. Similarly, for Pauvers (1998), organizational implication represents a presentation to act, results from exchanges, from reciprocal expectations between the individual and the organization.

3.3 Employee Loyalty Theory:

Companies know that it is cheaper to retain a customer than to search for another and that, of course, a loyal customer generates revenue from a casual customer Dutot (2004). In this current context marked by widespread competition, a policy of loyalty of human resources seems to be a suitable tool for businesses. Loyalty, while important, is yet oftentimes elusive, vague, and inconsistent (Rosanas & Velilla, 2003). Despite the fact that loyalty can oftentimes be elusive or vague, it can also be found within the company or organization itself. For example, according to Antoncic (2011), the loyalty of employees exists in the company, when employees believe in the objectives of the company, accept the objectives as their own, work for the common welfare, and want to stay in the company.

Loyalty also, is first and foremost about reciprocity. Employees should have the feeling that the organization wants the best for them, and as a result they will continue to do their best and not look for another job. Employee loyalty is thus above all determined by how the organization has arranged things and the way this is conveyed to the employee (Josje Hoek, 2013). Loyalty can be seen as a general term, signifies a person's devotion or sentiment of attachment to a particular object, which may be another person or group of persons, an ideal, a duty, or a cause. It expresses itself in both thought and action and strives for the identification of the interests of the loyal person with those of the object" (Encyclopedia Britannica, 1998).

In fact, according to Susan E. DeFranzo (2012) Employee loyalty can be defined as employees who are devoted to the success of their organization and believe that being an employee of this organization is in their best interest. Not only do they plan to remain with the organization, but they do not actively seek for alternative employment opportunities.

Similarly, loyalty according to Chahal, H., & Mehta, S. (2010), "means passively but optimistically waiting for conditions to improve giving public and private support to the organization, waiting and hoping for improvement, or practicing good citizenship" (p. 601). Contradictory to Reichheld (2001) and Rusbult et al., (1988) are the theories of Hart and Thompson (2007) who consider loyalty to be a stance one takes due to perceived obligation and reciprocity (as cited in Kumar & Shekhar, 2012).

Loyalty between multiple individuals or between an individual and an organization requires both parties to enter into a mutually beneficial pact "for the purpose of satisfying individual and collective needs" (Turner & Haslam, 2001; Wageman, 2001 as cited in Coughlan, 2005). Loyalty according to de Graaf (2011) is a concept that "has normative, symbolic, and emotional connotations" (p. 288). Likewise, according to Antoncic and Antoncic (2011) "the loyalty of an employee can be expressed through a feeling of the individual to belong to the company and the team of co-workers, whom he or she wants to help.

The factors of satisfaction, supervisor support, teamwork, and working environment play crucial roles and significantly affect employees' loyalty. Based on the results of the path analysis, this study argued that in order to achieve high employee loyalty, companies in banking industry should achieve high level of

employee job satisfaction, enhance supervisor support and teamwork among employees, and provide good working environment (Khuong & Tien, 2013)

3.4 Job satisfaction:

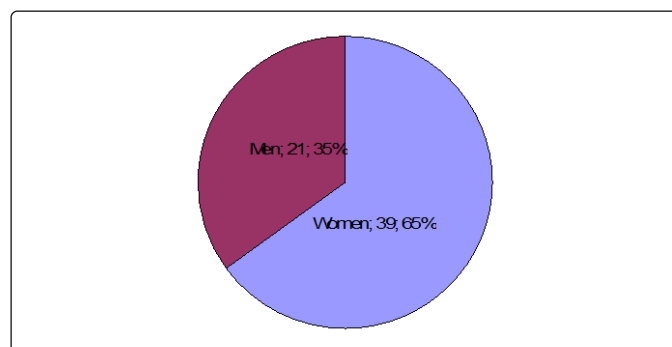
Satisfaction is commonly defined as a feeling of well-being. It is the pleasure that results from the fulfillment of what one expects, desires or simply from a desirable thing "Robert (1993)." Satisfaction at work corresponds to "the positive overall subjective impression, resulting from many factors including that of having achieved a desired goal, an index of self-realization "Lemoine (2004). According to Neveu (1996)," Satisfaction is the result of an analysis of the gaps between internalized individual objectives and their realization. It is appropriate for a better understanding of the theories, to analyze the sources of satisfaction and its impact on the loyalty to the company. In relation to his job, the individual can have expectations, experience wishes or desires, the fulfillment of which can lead to satisfaction at work ROUSSEL (1994). Satisfaction has three relative origins: the content of the work, the rewards and the quality of the relations and are respectively related to these three paradigms: homo faber, homo oeconomicus, and homo sociologicus.

4. RESULT AND DISCUSSION:

4.1 Demographic profile of the respondents:

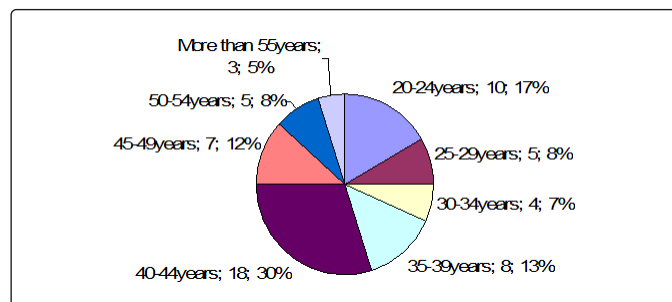
4.1.1 Distribution of respondents according to their Gender:

Findings show that 65% of the respondents were men and 35% were women.



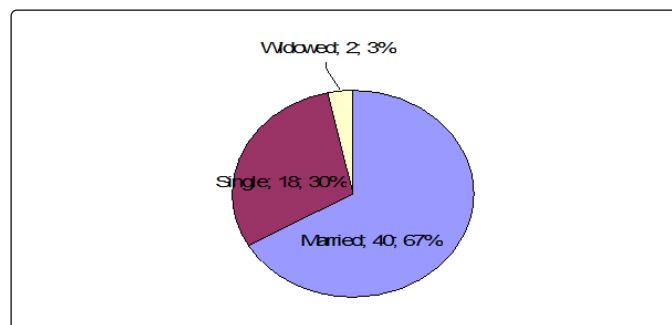
4.1.2. Distribution of respondents according to their age:

From the results, it appears that the age groups 40-44 and 20-24 are more representative with respectively 30% and 17% of the agents. The age groups 35-39 and 45-49 are in second place with 13% and 12% respectively. The age groups 25-29, 50-54; 30-34 and more than 55 years are the least represented with respectively 8%, 8%, 7% and 5%. This graph shows that 55% of the agents are over the age of 40, which shows the aging characteristic of the majority of agents.



4.1.3 Distribution of respondents according to their marital status:

From the chart above it appears that the majority of the respondents were married, however other marital status (single and widowed) were poorly represented. This is justified by the fact that married people very rarely migrate.



4.1.4 Distribution of respondents according to their seniority:

In terms of the graph we observe that 18,3% have seniority less than 5 years, 13,3% have seniority between 5 and 9 years, 30% (10-14 years), 8,3% (15-19 years), 8,3% (20-24 years). Those exercising between 25 and 29 years represent 25%, 6,7% have an age of more than 30 years

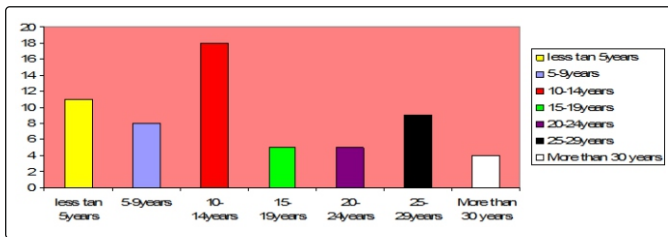


Table N°1: Determinants of employee Loyalty

Satisfaction Analysis	Working Conditions		Employee relations		Advancement opportunity		Work quality		granting of social benefits		Salary		organization involvement	employees' involvement		Internal Communication		Social consideration	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		Freq	%	Freq	%	Freq	%
Very unsatisfied	4	7	2	3	2	3	7	12	15	25	6	10	Very high	6	10	2	3	18	30
Unsatisfied	12	20	10	17	12	20	0	0	0	0	18	30	High	18	30	26	43	25	42
Undecided	6	5	1	2	16	27	7	12	6	10	16	27	Lower	16	27	11	18	4	7
Satisfied	36	65	41	68	29	48	38	63	37	62	18	30	Low	18	30	19	32		0
Very satisfied	2	3	6	10	1	2	8	13	2	3	2	3	Very weak	2	3	2	3	13	22
Total	60	100	60	100	60	100	60	100	60	100	60	100	Total	60	100	60	100	60	100

4.2 Satisfaction analysis:

4.2.1 Perception of working conditions:

Asked about their assessment of this physical work environment, it is rated satisfactory by 60% and very satisfactory by 3% and 20% consider it unsatisfactory.

4.2.2 Satisfaction with human relationships:

Human relationships are seen as a set of conditions that allow for a calm social climate within the organization. Thus 68% feel satisfied with the human relationships that exist within the organization and 10% very satisfied; 3 % are generally satisfied with this variable. However 20% feel dissatisfied with these relationships.

4.2.3 Satisfaction with advancement opportunities:

From the analysis in this table, 48% say they are satisfied while 27% say they are dissatisfied. The latter want more equitable prospects of evolution without taking into account the predefined quotas. In addition 25% remain indifferent. The evolution of the staff in their career is a fact of satisfaction and motivation and thus consolidates the attachment of employees to their organization.

4.2.4 Perception of respondents on the quality of work:

When asked if you are satisfied with your supervisor's recognition of your supervisor, the majority say they are satisfied 66% and 20% are very satisfied. Nearly 3/4 is generally satisfied with this indicator. However, 24% feel dissatisfied with the recognition of their work by their superior.

4.2.5 Benefits Satisfaction:

Analysis of the table, we found that more than half (64%) are satisfied with the social benefits they receive, while 36% say they are dissatisfied. They want the organization to cover medical expenses during retirement and extend it to other members of the employee's family.

4.2.6 Satisfaction with salary:

Regarding the salary 27 or 45% said they were satisfied with their salary against 13 or 22% who say they are dissatisfied and want a better salary, including acting on the performance bonus, 13 or 22% remain indifferent.

4.3 Organizational involvement:

4.3.1 Perception of the assessment of the degree of involvement of staff:

From the table above, it appears that 46% of agents find that the degree of involvement is high and 12% say very high. Only 32% think they are less involved in the organization of work and 10% feel they are weakly involved.

4.3.2 Assessment of the level of internal communication:

62% consider that the level of communication is very high. Those who think it is lower represent 22% against 16% who think it is weak.

4.3.3 Affective consideration to the company:

When asked whether the agents really felt the problems of the company as theirs, 50% believe that this link is high and 36% find it very high. This high rate of 86% shows an emotional attachment and refers to the psychological feeling characterized by strong employee adherence to the values and goals of the organization.

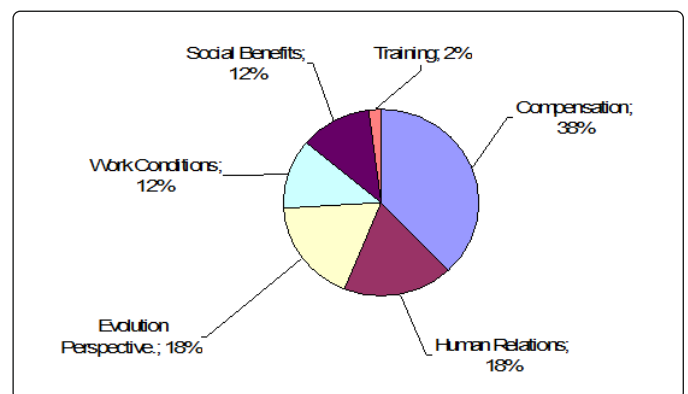
4.4 Ranking by order of implication of the factors of loyalty:

In the light of the graph below, it appears that loyalty factors follow this increasing order of magnitude: Compensation, Human Relations, Evolution Perspec-

4.2 Determinants of employee Loyalty:

The retention of human resources in the company is associated to their satisfaction and their Organizational involvement. For this study, six indicators were selected for satisfaction analysis: working conditions, human relations, advancement opportunities, salary, work quality and the granting of social benefits. And three for organization involvement: Degree of employees' involvement, internal communication and affective consideration to the company.

tive, Working Conditions, Benefits and Training. It is this situation that causes agents to get involved in the organization and consider the problem of the company as theirs.



4.5 Relationship between the determinants of employee loyalty and employee loyalty:

Table N°2: Employee Loyalty relationship Correlation

		Employee Loyalty	Job Satisfaction	Organization Involvement
Employee Loyalty	Pearson Correlation	1	.806	.39
	Sig. (2-tailed)	0	.009	0.012
	N	60	60	60

Correlation is significant at the 0.05 level (2-tailed)

Through the table above it is seen that Pearson correlation computed value are respectively 0.806 and 0.39 and the significant level are respectively 0.009 and 0.012 lesser than the probability level of 0.05. It means job satisfaction and Organization Involvement have an effect on employee's loyalty. In this case employee's loyalty depends 80.6% on job satisfaction and 39% on Organization Involvement.

Limitations of the research

The research paper will cover only the head office of the company and not the circumsales. Due to a shortage of time, it excludes many variables of maintaining. Funds were also another limitation.

5. CONCLUSION

The main objective of this study is to analyze the determinant factors of employees' loyalty in Cosmas Garage. Employee's loyalty is one of the primary parameters to measure the health of any organization. When employees leave an organization, they take along with them knowledge capital, relationships and investments. Intelligent employers never undermine the importance of retaining the best talent. Business strategies in general and HR policies and practices in particular must be framed in such a way that they ensure retention of key performers.

For the study, findings show that employee relations, advancement opportunities, work quality, salary, prospect of evolution and working condition respectively affect the loyalty in organizations. Also the involvement of the worker in the company has a positive impact on loyalty. Our study shows that there was a significant and positive relationship between the mentioned factors and employee commitment at Cosmas Garage.

Correlation analysis has revealed that employee's loyalty depends 80.6% on job satisfaction and 39% on Organization Involvement. Finally, we have been able to draw the profile of a primarily loyal employee that emerges from our proposals. He is the one who anticipates the needs of his superiors or colleagues, is always enthusiastic and creative, takes initiative, is autonomous and energetic, and updates his skills himself. A special effort still needs to be provided by the organization on the performance appraisal system and the potential of the managers of the head office and the staffing of the agents of substantial means in relation to the objectives which are fixed to them.

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APPENDIX 1:

Formula Lunch:

$$M = \frac{NZ^2 p(1-p)}{Nd^2 + Z^2(1-p)}$$

With:

M=the sample size, Z= 1.96(the value of the normal variable)

P = 50% (probability to get a good sample), = 5% choice of error

N = the size of the population